

CONSOLIDATED INSURANCE TRUST
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2006

	September-06							August-06					July-06					Current FYTD		Prior FY06		3 Years Ended	5 Years Ended		
	Market Value	Allocation		Returns-Quarter		Returns-Month		Market Value	Allocation		Returns-Month		Market Value	Allocation		Returns-Month		Returns		Returns		6/30/2006	6/30/2006		
		Actual	Policy(1)	Gross	Net	Gross	Net		Actual	Policy(1)	Gross	Net		Actual	Policy(1)	Gross	Net	Gross	Net	Gross	Net				
LARGE CAP DOMESTIC EQUITY																									
Structured Growth																									
Los Angeles Capital	19,450,087	1.5%	1.5%	1.66%	1.60%	3.27%	3.26%	18,833,589	1.4%	1.5%	2.20%	2.18%	18,439,940	1.4%	1.5%	-3.69%	-3.70%	1.66%	1.60%	11.36%	11.12%		N/A	N/A	
Total Structured Growth	19,450,087	1.5%	1.5%	1.66%	1.60%	3.27%	3.26%	18,833,589	1.4%	1.5%	2.20%	2.18%	18,439,940	1.4%	1.5%	-3.69%	-3.70%	1.66%	1.60%	11.36%	11.12%		12.01%	-0.32%	
Russell 1000 Growth				3.94%	3.94%	2.75%	2.75%				3.12%	3.12%				-1.90%	-1.90%	3.94%	3.94%	6.12%	6.12%		8.35%	-0.76%	
Structured Value																									
LSV	21,431,212	1.6%	1.5%	5.01%	4.90%	1.89%	1.86%	21,032,574	1.6%	1.5%	0.99%	0.96%	20,846,952	1.6%	1.5%	2.05%	2.02%	5.01%	4.90%	15.51%	15.05%		21.14%	12.22%	
Russell 1000 Value				6.22%	6.22%	1.99%	1.99%				1.67%	1.67%				2.43%	2.43%	6.22%	6.22%	12.10%	12.10%		15.70%	6.89%	
Russell 1000 Enhanced Index																									
Los Angeles Capital	38,796,327	2.9%	3.0%	3.77%	3.71%	2.74%	2.73%	37,759,444	2.9%	3.0%	2.11%	2.09%	37,007,434	2.8%	3.0%	-1.09%	-1.11%	3.77%	3.71%	9.83%	11.58%		N/A	N/A	
Russell 1000				5.06%	5.06%	2.74%	2.73%				2.40%	2.40%				0.22%	0.22%	5.06%	5.06%	11.08%	9.08%		N/A	N/A	
S&P 500 Enhanced Index																									
Westridge	41,427,217	3.1%	3.0%	5.82%	5.75%	2.62%	2.60%	45,341,207	3.4%	3.0%	2.43%	2.41%	44,294,591	3.4%	3.0%	0.67%	0.65%	5.82%	5.75%	9.07%	8.77%		N/A	N/A	
S&P 500				5.67%	5.67%	2.58%	2.58%				2.38%	2.38%				0.62%	0.62%	5.67%	5.67%	8.63%	8.63%		N/A	N/A	
130/30																									
State Street	14,391,212			5.80%	5.78%	2.77%	2.76%	14,006,155			2.07%	2.06%	13,725,105			0.86%	0.85%	5.80%	5.78%	9.60%	9.51%		11.47%	2.62%	
Total Index	14,391,212	1.1%	1.0%	5.80%	5.78%	2.77%	2.76%	14,006,155	1.1%	1.0%	2.07%	2.06%	13,725,105	1.1%	1.0%	0.86%	0.85%	5.80%	5.78%	9.60%	9.51%		11.47%	2.62%	
S&P 500				5.67%	5.67%	2.58%	2.58%				2.38%	2.38%				0.62%	0.62%	5.67%	5.67%	8.63%	8.63%		11.22%	2.49%	
TOTAL LARGE CAP DOMESTIC EQUITY	135,496,055	10.2%	10.2%	4.57%	4.49%	2.68%	2.66%	136,972,969	10.4%	10.1%	2.05%	2.02%	134,314,022	10.3%	10.1%	-0.21%	-0.24%	4.57%	4.49%	11.24%	10.95%		13.63%	3.95%	
S&P 500				5.67%	5.67%	2.58%	2.58%				2.38%	2.38%				0.62%	0.62%	5.67%	5.67%	8.63%	8.63%		11.22%	2.49%	
SMALL CAP DOMESTIC EQUITY																									
Manager-of-Managers																									
SEI	45,187,592	3.4%	3.4%	0.17%	-0.01%	1.45%	1.39%	41,605,512	3.1%	3.4%	2.35%	2.29%	40,681,494	3.1%	3.4%	-3.53%	-3.59%	0.17%	-0.01%	14.39%	13.58%		18.20%	7.84%	
Russell 2000 + 200bp				0.94%	0.94%	1.00%	1.00%				3.13%	3.13%				-3.09%	-3.09%	0.94%	0.94%	16.86%	16.86%		21.06%	10.38%	
Total SMALL CAP DOMESTIC EQUITY	45,187,592	3.4%	3.4%	0.17%	-0.01%	1.45%	1.39%	41,605,512	3.1%	3.4%	2.35%	2.29%	40,681,494	3.1%	3.4%	-3.53%	-3.59%	0.17%	-0.01%	14.39%	13.58%		18.20%	7.86%	
Russell 2000				0.44%	0.44%	0.83%	0.83%				2.96%	2.96%				-3.25%	-3.25%	0.44%	0.44%	14.58%	14.58%		18.70%	8.50%	
INTERNATIONAL EQUITY																									
Large Cap - Active																									
Capital Guardian	41,217,235	3.1%	3.1%	5.15%	5.02%	0.71%	0.67%	40,925,764	3.1%	3.1%	3.63%	3.59%	39,551,195	3.0%	3.1%	0.75%	0.71%	5.15%	5.02%	28.68%	28.07%		20.99%	6.90%	
LSV	40,223,984	3.0%	3.1%	6.35%	6.24%	1.94%	1.91%	39,456,736	3.0%	3.1%	3.04%	3.01%	38,338,141	2.9%	3.1%	1.24%	1.21%	6.35%	6.24%	27.59%	27.09%		N/A	N/A	
Total Large Cap - Active	81,441,219	6.2%	6.2%	5.74%	5.62%	1.32%	1.28%	80,382,500	6.1%	6.2%	3.34%	3.30%	77,889,336	6.0%	6.2%	0.99%	0.95%	5.74%	5.62%	28.21%	27.66%		21.92%	12.63%	
MSCI EAFE - 50% Hedged				4.87%	4.87%	0.90%	0.90%				2.93%	2.93%				0.98%	0.98%	4.87%	4.87%	26.72%	26.72%		22.56%	6.89%	
Small Cap - Value																									
Lazard	9,568,323	0.7%	0.8%	0.91%	0.72%	0.40%	0.34%	9,536,831	0.7%	0.8%	2.90%	2.84%	9,274,632	0.7%	0.8%	-2.33%	-2.39%	0.91%	0.72%	24.57%	23.65%		28.06%	N/A	
Citigroup Broad Market Index < \$2BN				1.53%	1.53%	0.70%	0.70%				2.90%	2.90%				-2.02%	-2.02%	1.53%	1.53%	29.28%	29.28%		32.40%	N/A	
Small Cap - Growth																									
Vanguard	9,878,804	0.7%	0.8%	3.83%	3.73%	1.94%	1.91%	9,702,567	0.7%	0.8%	2.36%	2.33%	9,478,698	0.7%	0.8%	-0.50%	-0.53%	3.83%	3.73%	29.77%	29.24%		32.39%	N/A	
Citigroup Broad Market Index < \$2BN				1.53%	1.53%	0.70%	0.70%				2.90%	2.90%				-2.02%	-2.02%	1.53%	1.53%	29.28%	29.28%		32.40%	N/A	
TOTAL INTERNATIONAL EQUITY	100,888,346	7.6%	7.8%	5.05%	4.93%	1.28%	1.24%	99,621,898	7.5%	7.8%	3.20%	3.16%	96,642,666	7.4%	7.8%	0.51%	0.47%	5.05%	4.93%	27.95%	27.35%		23.83%	8.67%	
MSCI EAFE - 50% Hedged				4.87%	4.87%	0.90%	0.90%				2.93%	2.93%				0.98%	0.98%	4.87%	4.87%	26.72%	26.72%		22.56%	6.89%	
DOMESTIC FIXED INCOME																									
Core Bond																									
Western Asset	225,783,771	17.1%	17.0%	4.50%	4.45%	0.92%	0.90%	226,211,121	17.1%	16.9%	1.83%	1.81%	222,252,246	17.1%	16.8%	1.69%	1.67%	4.50%	4.45%	-0.70%	-0.90%		7.36%	8.59%	
Lehman Aggregate				3.81%	3.81%	0.88%	0.88%				1.53%	1.53%				1.35%	1.35%	3.81%	3.81%	-0.81%	-0.81%		2.05%	4.97%	
Core Plus/Enhanced																									
Clifton Group	52,079,496	3.9%	3.9%	N/A	N/A	1.09%	1.09%	51,520,304	3.9%	3.9%	1.49%	1.49%	50,763,636	3.9%	3.9%	N/A	N/A	N/A	N/A	N/A	N/A		N/A	N/A	
Prudential	51,498,140	3.9%	3.9%	N/A	N/A	1.44%	1.42%	50,992,527	3.9%	3.9%	N/A	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A		N/A	N/A	
Total Core Plus/Enhanced	103,577,636	7.8%	7.8%	N/A	N/A	1.26%	1.25%	102,512,831	7.7%	7.8%	1.49%	1.49%	50,763,636	3.9%	3.9%	N/A	N/A	N/A	N/A	N/A	N/A		N/A	N/A	
Lehman Aggregate				3.81%	3.81%	0.88%	0.88%				1.53%	1.53%				1.35%	1.35%	3.81%	3.81%	-0.81%	-0.81%		1.84%	5.28%	
Index																									
Bank of ND	99,306,469	7.5%	7.4%	3.12%	3.10%	0.92%	0.92%	98,396,175	7.4%	7.3%	1.06%	1.05%	147,290,443	11.3%	11.2%	1.10%	1.09%	3.12%	3.10%	-1.08%	-1.14%		1.14%	4.90%	
Total Index	99,306,469	7.5%	7.4%	3.12%	3.10%	0.92%	0.92%	98,396,175	7.4%	7.3%	1.06%	1.05%	147,290,443	11.3%	11.2%	1.10%	1.09%	3.12%	3.10%	-0.96%	-1.02%		1.09%	4.62%	
Lehman Gov/Credit (3)				3.91%	3.91%	0.98%	0.98%				1.58%	1.58%				1.30%	1.30%	3.91%	3.91%	-1.52%	-1.52%		1.04%	4.78%	
BBB Average Quality																									
Wells Capital (formerly Strong)	225,722,804	17.0%	17.0%	4.65%	4.60%	1.08%	1.06%	225,802,818	17.1%	16.9%	1.99%	1.97%	221,520,028	17.0%	16.8%	1.52%	1.50%	4.65%	4.60%	-1.89%	-2.11%		2.63%	N/A	
Lehman US Credit Baa				4.80%	4.80%	1.13%	1.13%				2.02%	2.02%				1.58%	1.58%	4.80%	4.80%	-2.37%	-2.37%		2.63%	N/A	
TOTAL DOMESTIC FIXED INCOME	654,390,680	49.4%	49.2%	4.33%	4.28%	1.03%	1.01%	652,922,945	49.4%	48.8%	1.77%	1.76%	641,826,353	49.3%	48.8%	1.47%	1.45%	4.33%	4.28%	-1.19%	-1.35%		2.25%	5.52%	
Lehman Aggregate (4)				3.81%	3.81%	0.88%	0.88%				1.53%	1.53%				1.35%	1.35%	3.81%	3.81%	-0.81%	-0.81%		1.84%	5.28%	
TREASURY INFLATION PROTECTED SECURITIES (TIPS)																									
Northern Trust Global Investments	135,265,251	10.2%	10.3%	3.52%	3.51%	0.15%	0.15%	136,852,128	10.3%	10.2%	1.73%	1.73%	136,043,225	10.5%	10.2%	1.60%	1.60%	3.52%	3.51%	-1.49%	-1.53%		N/A	N/A	
Western	135,529,802	10.2%	10.3%	3.85%	3.85%	0.32%	0.32%	137,081,797	10.4%	10.2%	1.94%	1.94%	134,464,000	10.3%	10.2%	1.54%	1.54%	3.85%	3.85%	-1.94%	-1.94%		N/A	N/A	
TOTAL TIPS	270,795,053	20.5%	20.5%	3.68%	3.68%	0.24%	0.24%	273,933,925	20.7%	20.4%	1.84%	1.83%	270,507,225	20.8%	20.4%	1.57%	1.57%	3.68%	3.68%	-1.72%	-1.74%		N/A	N/A	
LB US TIPS Index				3.63%	3.63%	0.24%	0.24%				1.73%	1.73%				1.63%	1.63%	3.63%	3.63%	-1.64%	-1.64%		N/A	N/A	
REAL ESTATE																									
JP Morgan	75,452,197	5.7%	5.6%	0.88%	0.57%	-0.03%	-0.13%	75,249,032	5.7%	5.6%	0.37%	0.27%	74,762,387	5.7%	5.6%	0.53%	0.43%	0.88%	0.57%	N/A	N/A		N/A	N/A	
NCREIF Total Index				4.01%	4.01%	1.32%	1.32%				1.32%	1.32%				1.32%	1.32%	4.01%	4.01%	18.23%	18.23%		N/A	N/A	
CASH EQUIVALENTS																									
Bank of ND	41,880,350	3.2%	3.3%	1.35%	1.35%	0.42%	0.42%	42,573,788	3.2%	4.0%	0.47%	0.47%	42,805,006	3.3%	4.0%	0.45%	0.45%	1.35%	1.35%	4.50%	4.50%		2.71%	2.42%	
90 Day T-Bill				1.33%	1.33%	0.46%	0.46%				0.44%	0.44%				0.42%	0.42%	1.33%	1.33%	4.00%	4.00%		2.37%	2.25%	
TOTAL INSURANCE TRUST	1,324,090,273	100.0%	100.0%	3.83%	3.76%	0.98%	0.96%	1,322,880,069	100.0%	100.0%	1.81%	1.79%	1,301,539,153	100.0%	100.0%	0.99%	0.97%	3.83%	3.76%	3.82%	3.61%		6.68%	5.32%	
POLICY TARGET BENCHMARK				3.85%	3.85%	0.93%	0.93%				1.76%	1.76%				1.11%	1.11%	3.85%	3.85%	3.72%	3.72%		6.31%	5.45%	

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Because each fund within the Insurance Trust has a different policy allocation, the consolidated report reflects a weighted average of all of the funds' policy allocations.

(2) Prior to January 1, 2005, the benchmark was First Boston Convertible Index

(3) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(4) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.